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POLITICAL AND SOCIOLOGICAL

MAGAZINE WRITERS CANDIDLY DISCUSS SUZUKI CABINET

Tokyo JIYU in Japanese Sep 80 pp 162-178

[MASS-COMMUNICATIONS 'SECRET' INFORMATION; Series 9 anonymous magazine writers' discussion meeting]

[Excerpt] Difference Between Prime Minister Predicted by Mass Communications and Realpolitik--LDP Wins and Mass Media Lose

"K": Emergence of a Zenko Suzuki cabinet differed from the expectations of mass communications. On this occasion, I feel that there is a need to reflect anew upon past mass media information. First of all, I think that today's mass media personnel are conceited. As far as the recent event is concerned, it seems that the mass communications people had from the beginning the conjectured image of a prime minister. It appeared as though the news reporters' attitude toward news gathering was based on this conjecture. Generally speaking, today is said to be the age of the news scoop, and there is a tendency to try to gather information before others without confirming it. More often than not, it seems to me that reporters are trying to build their own cases.

"N": Before the name of Zenko Suzuki was mentioned, the commonsense viewpoint was to regard Toshio Komoto as the favorite. The mass communications stuck to their choice of Yasuhiro Nakasone, and all the newspapers played him up. Komoto had stronger monetary and personnel support and the backing of the financial circles. Komoto had more going for him to become the premier. However, there were circumstances that might enable the perennially disappointed Nakasone to pull off a last minute upset. The various newspapers and magazines wrote about his connection with Mejiro [reference to former Prime Minister Tanaka who resides there] and a number of other factors. In this controversial situation, news that a compromise was possible came from one source. That was when the name of Zenko Suzuki came up, but even if a compromise candidate were to emerge, his name appeared so soon that reporters were surprised and believed that it must be a mistake. They believed someone quite different would emerge, even if there were to be a compromise candidate. That was our outlook, to say the least.

"K": When Zenko Suzuki was mentioned, the reporters realized that he was not among those whom they were building up or anticipating. Therefore, in news gathering, the reporters probably took the attitude of negating Suzuki. I say that because on Saturday night, I spoke to a staff employee of the Liberal Democratic Party (LDP) and he said that the selection of Zenko Suzuki as party president was generally decided. Furthermore, the present LDP found the following as most desirable for the three leading party positions: Noboru Takeshita as secretary general, Kiichi Miyazawa as chairman of the Policy Affairs Research Council and Shintaro Abe as chairman of the Executive Council. However, Yoshio Sakurauchi was a creditable achiever in the elections and depending on his appointment, there might be personnel shifts so the three party positions are not yet definite. Sakurauchi might become the LDP vice president. That was the account I heard. On Monday, when the editor of our weekly magazine telephoned me, I reported the above to him. At the time, we could have made the publication deadline of the week's issue, but when I gave him the above news, he questioned me twice as to its veracity. I said I cannot give a 100 percent guarantee but I believed the account to be 90 percent accurate. Therefore, I suggested that [with mention of Suzuki] the three party nominees be presented as the most acceptable slate of the LDP core, but the week's issue of the magazine again selected Nakasone as the likely candidate. Ironically, Suzuki was chosen on the day the magazine hit the stands.

"Y": That is true, although we were aware of the elimination process. Frankly, upon reflecting, during the period immediately after the elections and before Suzuki was selected, Nakasone suddenly emerged simply because O.K. was given by Mejiro [former Prime Minister Tanaka], and this became a sort of credit to him. With Komoto, too, the only inkling we had was that the financial circle was in full support of him. Attention was focused on these two persons because information on them greatly increased and was plentiful.

If we had been coolly thinking about the developments, we would've realized, for example, that Nakasone switched to the LDP mainstream during the recent Diet non-confidence vote, but several months prior to that, he held a leading position in the anti-mainstream group. Therefore, he had a decisive weakness and although he switched his stand, credit could not accrue to him so simply. Even with Komoto, who created a sudden boom, with many Diet members supporting him because of his financial backing and disbursement of considerable election funds within the party, he also had a decisive weakness because he was a member of the Miki faction. If you reason in this manner, by process of elimination, the name of Suzuki should have emerged, but there was already available much stronger supporting information.

This is an afterthought, but when Ohira died, in the muddled situation, the prediction that the next party president would unmistakably come from the mainstream, which succeeded Ohira's faction, was not credible without

considerable backup evidence. Unfortunately, I feel that we were swayed by the general trends of the times.

"K": I think that in gathering information materials, for example on political party trends, whether it be the LDP, Japan Socialist Party [JSP] or Democratic Socialist Party [DSP], information on the most important personnel or events cannot be obtained unless you can penetrate the minds of the top leaders, but on related items, old-timers in the secretariat possess considerable information. These persons do not have the power to influence political trends or affect personnel movements, but they are more accurate and faster than Diet members in assessing the party trends. With regard to the development under consideration, members of LDP election office were surprisingly knowledgeable. In the future, I think that it is important to accurately cover these information sources. It is fine to operate on one's own theories but if you keep doing that, you might wind up as an ex-reporter someday. On this occasion, I think that we should take the attitude of retracing our steps and reconsidering our efforts to obtain accurate information.

"O": I think that the candidate widely considered acceptable was Kiichi Miyazawa. The Americans had hopes in him. The assumption of the mass communications that the probable successor would be one of the three, factional leader Nakasone, Komoto or Miyazawa, was the greatest error. (Barewald) of the University of California who recently visited Japan--a person held in high esteem by Ohira--is reported to have said that he did not think, from the beginning, that Miyazawa would be able to succeed as leader of Kochi-kai. Historically, he was not on good terms with Ohira and was closer to Maeo. When he switched from the House of Councillors to the House of Representatives, i.e. before he became a representative, he was pushed for a ministerial position. However, there were doubts within the party as to whether a person such as Miyazawa should be recommended for minister. Within the party, Miyazawa's reputation was not as good as the public thinks. In other words, the successor to Ohira was not Miyazawa. He said that if factional movements had been watched objectively, the name of Zenko Suzuki should have appeared earlier. The contest was not among Nakasone, Komoto and Miyazawa, but from the start, it involved Nakasone, Komoto and Suzuki. Mass communications misinterpreted the situation because they were influenced by the desire to see Miyazawa selected.

There was another error. Cornell Curtis of the United States was visiting Japan to survey the political situation after the elections. Because many of the scholars visiting Japan cannot speak Japanese, they call on Diet members who can speak English. Miyazawa is a steady reader of TIME and NEWSWEEK and is facile enough to constantly read English newspapers and periodicals. American visitors flock to Miyazawa's place. Therefore, he is well-versed in the international situation and he was the mass communications' "close-up" choice as the next LDP presidential candidate. There is a tacit, basic principle in the LDP that only the mainstream can hold

political authority. Since this fact was known from the beginning, minus points should have been given to Komoto of the anti-mainstream and Nakasone of the non-mainstream. Since there was no appropriate candidate in the Tanaka faction, the successor in the Ohira faction should have been presumed to take over the government. If such were the case, cool-headed consideration should have been given as to who would be the successor to Ohira. In spite of that, because of his international awareness and indescribable attraction, Miyazawa became the focus of attention and as a result, the slate of three candidates was formed. We made an error, from the beginning, on that point. We can only say that including ourselves, those who study politics were terribly amiss when Zenko Suzuki's name did not emerge at that stage. Now, everyone thinks that the person to take over the Ohira faction was not Miyazawa but Zenko Suzuki, but at the time, everyone was talking on the assumption that Miyazawa was going to be the successor. However, the first person to disappear from the scene was Miyazawa and later, as the discussions centered on Komoto and Nakasone, Zenko Suzuki suddenly surfaced. When Miyazawa disappeared, we should have analyzed more carefully as to who would be the successor of the Kochi-kai or Ohira faction and we would not have been surprised even if Zenko Suzuki's name suddenly appeared.

When Suzuki's and Mejiro's relations are considered, it seems logical since the former was one of the latter's closest associates. However, an objective appraisal of the situation reveals that Nakasone had Secretary General Sakurauchi and upon switching to the mainstream, Ohira suddenly passed away. Not only as a factional leader but in actual accomplishments, Nakasone far surpassed Komoto. In view of these developments, talk of a Prime Minister Nakasone began to be heard. It also appears that Curtis of America discounted Suzuki, from the outset, saying the latter could not possibly lead the politics of Japan. Therefore, expectations placed on Miyazawa were all the more great.

"N": I am considering the recent event from a somewhat different aspect. There were sufficient indications that Zenko Suzuki might take over the Kochi-kai.

However, information was also plentiful that Suzuki could not be the successor of the Ohira faction. First, the financial source of the Ohira faction is the bureaucratic pipeline and since he was not a bureaucrat, it would be extremely difficult for him to represent the Kochi-kai. Secondly, Suzuki himself wanted to support Miyazawa, who was his distant relative, as the Kochi-kai successor, and make him the prime minister in the future. However, since Miyazawa had not done enough for the faction and might be accepted by the intelligentsia but not the LDP, Suzuki wanted to minimize this minus aspect by grooming him for a while. During that period, Suzuki was willing, as a temporary measure, to hand over the political reins to someone else. Thirdly, there was an anti-Suzuki force within the Ohira faction. Ohira did not completely trust Suzuki, and people

like Masayoshi Ito and Kunikichi Saito are in the anti-Suzuki group. As for Rokusuke Tanaka, he had conducted himself up to the last moment as an anti-Suzuki member and in fact, had been for Shintaro Abe. The moment the tide turned in Suzuki's favor, he started to support Zenko. If there is anyone who claims that we should've predicted the choice of Zenko Suzuki is a cinch, in the light of this situation, I think that, to the contrary, that person's logic is unsound.

"K": Does logic hold water in the world of politics?

"N": That may be true, but this selection was totally illogical. So I think that there are two sides to this issue. On the one hand, there is the backstage formation of a political regime, a ritualistic transfer of political power in the LDP tradition, and on the other, a theoretical approach that the prime minister should be a person of this high character, though this is wishful thinking. Zenko Suzuki was a person who did not fit into either category and it would be odd, I think, to call such a person an absolute choice since there are no odds as in horse race betting.

"Y": Wasn't there a conjectured image of a prime minister? However, it cannot be said that the successive post-war prime ministers were all fit for the position. Were the successive prime ministers, since the Meiji era, all persons of a certain high caliber? I think there are many who can be questioned as to why they occupied the premiership at a particular time in history. If that is the case, it is not necessary that the prime minister meet certain qualifications. Rather, it would be more sensible to recommend one because he has served 10 terms as Executive Council chairman. People seem to agree with the choice, once the prime minister is selected.

"K": The 1980s are referred to as a muddled period. It appears that, amidst this situation, the prime minister of a country emerged in some opaque form with the assistance of many.

"N": Therefore, I think that all of the assessments with regard to Zenko Suzuki are retrospective. He became a prime minister without spending money. In the confused period of the 1980s, a person who can function as an arranger to settle matters should become the prime minister. This is undoubtedly a retrospective argument. I would've dared anyone to say that a week ago. (Laughter).

"Y": The worst ones are the business and labor circles. They all claim they are for the Zenko-type and speak as though that was the most appropriate choice for the 1980s. They have the nerve to say that. (Laughter).

"N": In that case, we'd feel better if we admitted that we missed completely and take our hats off. (Laughter).

"O": From our standpoint as mass media, I believe that the biggest reason why people said that Zenko had no chance of becoming the prime minister or LDP president was his connection with Mejiro [former Prime Minister Tanaka]. We razed him as being "under the thumb" of Kakuei Tanaka. Although he was in the Ohira faction, his relations with Kakuei were so close that it was said his official affiliation was with the Tanaka faction. During Ohira's time, his cabinet was called "Kakuei's shadow cabinet," and it so happens that the succeeding cabinet is one "under Kakuei's thumb"...It was felt that Tanaka would not take such a drastic action, i.e., there was a sort of expectant mood that he would not openly install such a person. After the big LDP victory, Tanaka's faction increased, too. Since the LDP majority was no longer an extremely slim one as before, it was believed that, in a sense, party unity would be strengthened and there would be a cabinet unanimously supported by the government party. Tanaka did not have to come out and say, put in my "puppet government," because even if Nakasone or Komoto or Miyazawa were installed, he could later manipulate anyone with his majority faction. It was thought that there was no need for him to forcefully put in his own regime. There was no question that Suzuki would be publicly criticized if he were selected as prime minister. There was no need for him to stubbornly push a person who would receive public criticisms. Undoubtedly, there was a feeling that nothing of the sort would happen.

"N": I think that that is the most important point we should consider in retrospect. Mass communications have suffered a continuous string of defeats. Since the 40-day struggles [1979], there has been one defeat after another. I believe that the cause is, as with the thinking of the [Yomiuri] Giants team, we have begun to play sandlot baseball as semi-professionals. By that I mean that without the skills, we are looking for signs and trying to react to the signs. If you were to ask who is giving out the signs, I'd say that it is the person in Mejiro. The greatest cause of our misinterpreting trends is the fact that we believe politics is all decided by the signs from Mejiro. I believe that like Nagashima's Giants team, we have to do some reflecting. (Laughter).

"O": Ten days before the final selection of Suzuki, a member of the Nakasone faction telephoned about 1000 hours, Saturday morning, and said that Nakasone was out. Rokusuke Tanaka and Kunikichi Saito did the running around, Nobusuke Kishi and Kakuei Tanaka then joined hands and Secretary General Abe took the final action, and the outcome was the decision to select Zenko Suzuki for this round. Nakasone could do nothing about this. If he were to start a fight, he would only split the party and he could not do that now. He had no choice but to cooperate. Having come this far, it is very regrettable. That was the phone call I received. Well, I thought it made sense. Then the newspapers began to write that the only way out was to pick Zenko.

Putting aside the fact that such information was available, it is still true that the prime minister was selected through the alliance of the political world's behind-the-scene operator Tanaka and the old master Kishi. Kishi wants to make Shintaro Abe the next prime minister. To do that, he wanted Abe to become the LDP secretary general and if that condition were acceptable, the Fukuda faction would cooperate. Rokusuke Tanaka and Funikichi Saito acted as runners among the concerned parties. In this manner, Nakasone was eliminated. The mainstream believed that even if eliminated, Nakasone would not desert the party or take counteraction.

In this light, the explanation becomes very clear, leaving aside the question as to whether the power of Meiji-ro is strong or weak.

The Reputation of the New Cabinet and the Aim of Prime Minister Suzuki--Nakasone and the Bureaucratic Group in a Dilemma

"P": The Suzuki cabinet has been formed and isn't the reputation of cabinet members good as compared with previous cabinets?

"G": I think that that is because the cabinet is not selected through the elimination process. In other words, there are no really unqualified persons in it. There are some questionable choices but the number is relatively few.

"O": I think that this cabinet has a good reputation because the Tanaka faction was not given preference. The key positions of foreign minister and health and welfare minister are held by his own faction, and Tanaka faction members, such as Takeshita and Kanemaru, who were expected to be appointed, were omitted. Another reason is the appointment of Nakasone and Komoto to the insignificant posts of Administrative Management Agency director general and Economic Planning Agency director general, and Nakagawa to another easy position of Science and Technology Agency director general. People are saying that Suzuki's skill in personnel selection stems from his many years of service as Executive Council chairman. I also think that because of that experience, not too many demands were made on being included in his cabinet.

Let us examine the situation carefully. Masayoshi Ito was brought in as the foreign minister, but everyone thought that a qualified well-known figure would be appointed and not even Suzuki would utilize the position as a slot for factional members. If Ito were appointed foreign minister simply to continue Ohira diplomacy, and Suzuki had pushed extra hard for his selection, then Suzuki must be called a terribly shrewd scoundrel. To try to bulldoze through international relations, which are expected to become even more difficult, with Ito as the foreign minister, is a political choice which, I think, belittles the people.

Also, the appointment of Michio Watanabe as the finance minister raises a big question. Suzuki is credited with having brought in an unusual person, and his skill in selecting personnel is being highly evaluated, but I believe that when things start moving, something terrible is going to happen. Mass communications people must carefully watch the developments.

"N": From the foregoing, it appears that Suzuki's choices were not intended to benefit the people but to satisfy factional needs, especially those of the Ohira faction. For one thing, Masayoshi Ito and Kunikichi Saito were appointed to rather important posts. In other words, selection of anti-Suzuki persons to important posts would consolidate factional unity.

As the health and welfare minister, the ability of Saito will be tested in the ministry's health insurance administration, policies toward the medical association, etc. especially at this time, since President Takemi of the Japan Medical Association is reportedly in ill health. To be more explicit, he will become the minister to draw up the blueprint for the post-Takemi period. This is an important post that drew the attention of everyone. Kunikichi Saito appeared on the scene. To be frank, however, his administrative ability is unknown. Suzuki "bottled up" such a person in a very difficult post, one that is said to have the most potentials for graft.

With regard to Ito, Suzuki "contained" him by saying that "since you became well known during the summit conference, I want you to carry on Ohira's policy as the foreign minister."

The selection of Kiichi Miyazawa as cabinet secretary is the most noteworthy point about this cabinet. If you consider that Miyazawa's reputation was not good until now, you would realize why in the position of cabinet secretary, he needs to be exposed fully to the public and to show his true merits. In other words, a person must develop an all-around winning personality and must be able to put on an act. In that sense, this is the most important position. He will receive his baptism in a new field and undergo training. The cabinet secretary is the linchpin in government administration as well as party affairs. He will have the job of looking after both factional and governmental matters. Suzuki placed Miyazawa there so he can receive the training he needs in order to develop.

It seems that these three appointments were Suzuki's key selection and the rest was a matter of deciding who goes where. In other words, one can say that the appointments were made out of consideration for the Ohira faction. Nakazawa, Nakasone and Komoto were picked for the reasons stated previously. With respect to the selection of Michio Watanabe, the point in consideration was how to distribute the honors, and no one is counting on his economic ability. From that standpoint, it can be said that the person easiest to replace was put in as finance minister.

"77. I do not think that Zenko Suzuki decided alone on the cabinet selections. Unless you search for his real intentions, the true nature of Suzuki's cabinet cannot be determined. There was sufficient time on this occasion to form the cabinet, although he seems to have implied that if he didn't have the time, he would have gotten away with spot decisions. Where is the nucleus of Suzuki's cabinet--is it in the Ohira faction or in Mitter's? And there are very knowledgeable persons in the cabinet, a careful analysis must be made.

"78. Although this contradicts the previous statement that we are swayed much by the Mitter signs, we still have to think about Mitter. When this cabinet was formed, there was considerable talk that Takeshita would resign. However, he did not enter the cabinet. At a glance, it appeared that Kanemaru contributed to the making of Zenko Suzuki, but he was not from any faction. On the other hand, Nikaide was given an important position. Although it remains to be seen yet what party position would go to Gairi Yamashita, as far as Mitter is concerned, he is thinking of his immediate disciples, Susumu Nikaide or Gairi Yamashita, as his successor. It has been said since before that he thinks of Takeshita and Kanemaru as belonging to a branch stream of his faction. If you view the situation in this light, Suzuki's cabinet is made up of persons liked by Takao Tanaka. Cabinet selections seem to show openly the influence of Mitter.

"79. I think that it is a fact that the appointments favored the Ohira faction. However, even if only outwardly, the selections can be justified. To explain further, Ito did serve as the temporary premier. This big party politician" is made the successor of Ohira diplomat. Foreign relations are conducted, however, mainly by the bureaucrats, and the remaining tasks can be carried out, to a certain extent, by one's reputation. Even with Fumihichi Wito, he has served twice as minister of health and welfare. It is important that a person who has served twice previously should serve again, and it can be said that the choice was appropriate. The most questionable selection is Finance Minister Watanabe. At this time, when the financial situation is in such a critical stage, a person whose capability is totally unknown was appointed. As far as finances are concerned, even the prime minister is not knowledgeable.

"80. If the selection has to be justified, it would probably be said that rejuvenation was sought and a younger person was asked to take the important post. Furthermore, it can also be said that a non-factional member was brought to the finance minister's position.

"81. It is a position entrusted with the task of solving many problems, including the 'B' issue, tax system, etc. A superficial-minded person will never do. Considering various angles, Watanabe was probably selected for his political acumen. His choice also made it easier to win over Komoto on the pretense that he would be overseeing the Japanese economy.

"W": Suzuki probably told Komoto that he was the "deputy prime minister."

"K": Komoto was probably told too that he would have total responsibility for the economy. With respect to Eiichi Miyazawa, as a person who knows his personality, I find his selection as the cabinet secretary a refreshing one. He is of a somewhat different type from the traditional cabinet secretary. If anyone in the past resembles him, it would be Toshio Kimura. When I consider that Miyazawa cannot become obsequious (when politically necessary), I get confused as to whether he is the right choice or he is the cabinet secretary of a new age.

"W": He reminds you of Yasuni Kurokane.

"K": Kurokane is somewhat gloomy. A while ago, I was talking to an LDP Diet member who said that, although Eiichi Miyazawa and Toshio Kimura are claimed to be the same type of cabinet secretary, I found that Kimura has a warm personality whereas Miyazawa is cold. Both read Western books, but Miyazawa shows it openly while Kimura seems to be doing so reading privately somewhere.

"W": The following is an episode about Miyazawa. A famous commentator, M., is a strong supporter of Miyazawa. At a certain lecture meeting, both were present. During his talk, "K" stumbled over a proper noun. Miyazawa, who was seated besides him, promptly pointed out the correct word. "K" turned red in the face and shouted that "because you do such things, you cannot become the prime minister." Miyazawa has that trait.

"W": Toji Omura of the Tanaka faction was appointed as Defense Agency director general, but he has not been too well known till now. What type of person is he?

"K": His capability as Defense Agency director general is unknown. To be frank, I have hardly heard of him.

"W": I have the impression that Omura is a prudent person. I can speak from my own experiences. He is the exact opposite of a person who came up from the ranks. When he was a rank and file politician, I wondered whether he would be a good sport and relate inside stories of the political world if I interviewed him. He readily admitted that he was only a minor figure in the political circle. He knew how to be sportive and gave me the impression a number of years ago that he cannot be disregarded. Now that he has become the Defense Agency director general, he would probably show up appearing sharp as though he would look good in uniform. In other words, since he is the bureaucratic type and a sportive, prudent person, I think that he can be regarded as the type of politician who will not make fatal errors. However, at the present stage, when defense is being watched as a big problem which can affect the country's security, his capability is unknown as to whether he can handle the duties of a Defense Agency director general.

As justice minister, Seisuke Isono of the pro-Tanaka faction was chosen. If the present cabinet is carefully scrutinized, person by person, there are many new faces of unknown caliber, and the cabinet seems refreshing. Overall, it appears that appointments were made to reward the anti-mainstream members. As finance minister, Michio Watanabe, who left the Nakasone faction, was selected. I think that this is a challenge to Nakasone, who was aiming for the finance minister's position. Within his faction, there was an overwhelming opinion that he should not enter the cabinet unless he was appointed finance minister. If Nakasone had put up an opposition at this point, there is no telling what might've happened. Of the ex-Nakasone faction leader Watanabe, whom Nakasone hated most, would form his own faction, a number of Nakasone faction members might have joined him. Watanabe was chosen as the finance minister and on the same level with Komoto. Nakasone was given the position of Administrative Management Agency Director general. The manner of persuasion was shrewd. Komoto would be on an equal level as Economic Planning Agency director general. Nakasone was asked to head the Administrative Management Agency, and he could not refuse. At the time of the no-confidence vote on Ohira's cabinet, Komoto was in the anti-mainstream, and it was Nakasone who was appointed. Nakasone's feelings can well be imagined. Nakasone faction members were chagrined and challenged his placement on an equal level with Komoto. When the no-confidence vote was taken, Komoto was absent, while the Nakasone faction cooperated. Why should Nakasone be appointed to such an insignificant post? He should resign. Nakasone was being pressured by his faction members. However, he could not rebel. This incident revealed to all party members that at the last moment he falters. I feel that from now, many problems will arise in the Nakasone faction. Zenko Suzuki was able to act so brazenly because Heijiro was behind him.

Kanemaru had schemed to boost Takeshita as prime minister and to take over the deputy premiership himself, but neither was selected for the cabinet. No one anticipated this mission. Probably, Tanaka was pulling the strings from backstage and serving a sort of warning that this is what would happen to those who opposed him and that our domination would continue for a while since it was too early for transfer to the next generation.

Another warning was included, and that was to show anti-mainstream members what would happen if they opposed the mainstream. It is being said within the Nakasone faction that if the present situation continues, the younger members cannot hope to become cabinet ministers unless, eventually, they join the mainstream. In other words, the Nakasone faction is not anti-mainstream but non-mainstream. There is great commotion within the faction about the fact that with the LDP, only the mainstream rules constantly. How he is going to quiet down his faction is the problem facing Nakasone.

"E": While cooperating, Nakasone is always pushed away from the position of political rule. In the past, Ichiro Kono constantly challenged but never succeeded in winning the political reins. Although in a different sense, there is a possibility that Nakasone might suffer the same fate of a tragic politician.

"Y": Nakasone holds an incongruous ministerial position and the most difficult. Unless he conducts administrative reforms, he will not become popular with the people, but if he does, he will be criticized for meddling and be boycotted by the entire bureaucracy.

"Y": Nakasone was put on the spot when at the first cabinet meeting, Suzuki spoke as though administrative reform was the most important governmental task.

"Y": What about this viewpoint regarding recent developments? It is said that the cabinet formation was successful, but if you examine the cabinet closely, there are many members who were formerly Ministry of Interior bureaucrats. This is related to the previous account but in the Kochi-kai, there are ex-bureaucrats and among them, there are persons of different color. The former Interior Ministry bureaucrats believed that if they supported a party liner such as Zenko Suzuki, things would proceed smoothly, and so they backed Zenko. At the time of cabinet formation, they succeeded in placing former Interior Ministry officials in key positions. They are fully aware that unless you belong to the mainstream, you cannot get political authority. As to what constitutes the mainstream, the bureaucratic mechanism has to be analyzed in order to understand the Japanese political setup. The former Interior Ministry Bureaucrats are good at this.

"E": In the present political arena, politicians who were formerly bureaucrats are far more effective than the other politicians. With the administrative organization so well developed as at present, a considerable amount of knowledge is needed to handle a single Diet bill. Probably, among the present Diet members, there are few who can understand a budget report. That is, aside from the ex-bureaucrats. Even Masatsugu Ishibashi, who is considered to be one of the elite and an intellectual in the JSP, began to study economics after he became a Diet member. You can imagine what the situation is for others. Among the ex-bureaucrats, those who had done a lot of studying while in the government, became Diet members. From this standpoint, one can say that a significant factor in Japanese politics today is that not only former Interior Ministry bureaucrats but ex-bureaucrats from various ministries are appearing on all political fronts. However, politicians must not only be able to understand matters but are required to have decisive power, and on this point, the old party liners do have to power of decision.

JSP, Komeito and DSP Forget "Coalition" in Wake of Election Defeat; New Coalition Started Jointly by NLF and Shaminren

"K": Is this Suzuki cabinet a long-term one or a short-term one?

"S": I am reluctant to make any more predictions. (Laughter).

"Y": There is talk that it will be short-lived since "anti" is popular today, but I venture to say that it will be a long-term one. (Laughter). Perchance, isn't Zenko Suzuki another Ieyasu Tokugawa?

"O": Koichi Hamada says it will be of long duration. (Laughter).

"S": Well, what are the opposition parties doing after the elections? Dietman Eiichi Nagasue of the DSP says that since the elections, the various parties are at a loss and that might be the situation now. Before the elections, the JSP had started an earnest re-examination of what might be called its party platform, "The Road to Socialism in Japan," and as the party promised, renewed the reappraisal after the elections, but I wonder what will be the outcome?

"S": Since they lost so decisively, I think that they can carry on a determined internal struggle. It can be said that the conditions are ripe for the JSP to conduct a thorough re-examination of the "road." No matter how much of a fight the Socialist Association and the anti-Socialist Association put up, the people are not expecting much good to come from it. It is a certainty that there won't be elections for a while and the JSP cannot be hurt any more than it is. Therefore, this is a good occasion to thoroughly cleanse the party. Such an atmosphere seems to be prevalent.

According to the schedule that I heard, former JSP Chairman Katsumata was to have presented his report to the committee in September, but the schedule has been moved up. The fact that the proposal to re-examine the "road" surfaced in July means, to me, that they plan to complete the reappraisal during this summer vacation.

Although unrelated, the labor unions are about to engage in reorganization activities. The mood has strengthened within the labor unions to actively conduct their own internal struggles. The struggle between Sohyo [General Council of Trade Unions of Japan] and private establishments is getting quite severe. What will probably become an issue is the conflict between the "Labor Union Council To Promote Its Policy" of the Churitsu Roren [Federation of Independent Unions], with Katayama as chairman, versus the "Promotional Association" led by Shioji, chairman of Jidosha Soren [General Federation of Automobile Workers' Unions]. In other words, the issue of a united front will probably become a hot one from now. As far as opposition parties and labor union activities are concerned, those are about the only issues which will provide fodder for the newspapers.

"K": Before and during the elections, the slogan of "coalition" was bantered about and a certain verdict was handed down. The mass communications generally reported that because the coalition government concept was denied by the people, the various parties stopped talking about it, but come to think of it, a debate on coalition was not even held once. Each party carried its slogan as it saw fit and no real discussion was held among the parties. The JSP has begun to re-evaluate its "road" and the traits of the party. This seems to be the opportune occasion for various parties to discuss and refine the issue of a coalition of opposition parties. After seeing the election results, a certain supporter of Komeito and DSP said this was the end of the two parties, but I do not think so. I think that both Komeito and DSP will make efforts to strengthen their political bases, each in its own way, but while doing so they will reconsider coalition.

Because they were defeated before they were ready, they should immediately conduct coalition talks in earnest and consider more seriously the matter of a united front with labor. Unless they prepare their political front before the general elections expected in 1983-1984, I think the opposition parties will lose again. I would like to see the various parties immediately begin discussions instead of remaining at a loss.

"Y": I talked today with the mid-level leaders of Sohyo and heard that, even more than the people think, the political party members are crushed with a feeling of defeat. (laughter). The people seem to be concerned only to the extent that perhaps they made a little error by permitting the LDP to win too big a victory, and they are sympathetic with the opposition parties. However, the opposition party authorities are really crushed over the defeat, and it might take a considerable time for their recovery. To start an internal struggle is useless. These persons were making drastic remarks such as shock the leaders by removing JSP Chairman Asukada; otherwise, the leaders who were stretched out in the ring were so completely out that recovery was impossible.

"K": The JSP is a strange party and when things look hopeless, a "divine wind" blows. In the recent elections, if Chairman Asukada had lost, then both chairman and secretary general would have lost, and the question of leadership responsibility would have arisen. Then, since Komeito had also decreased, the responsibility issue would have been raised as a chain reaction. The responsibility of the DSP and the Japan Communist Party [JCP] leaders cannot be overlooked. Thus, the responsibility question would have risen in all of the opposition parties and led to interesting developments which would please the mass media, but unfortunately (laughter), Asukada did get elected. The present number of 107 Dietmen was maintained. That was that. Since the opposition parties all lost, each party has its own problems but they are not considered too serious. Rather, they are at a loss just because of the election defeat. This is true especially of the JSP.

How about the New Liberal Club [NLC] which rose rapidly?

Ans. I heard this from one of the NLC leaders, but there is talk of getting together with Shaminren [JSP-DSP Coalition] on the House of Representatives level. At a certain meeting, agreement was reached between Den and Kono.

Biggest reason was the election of Naoto Suga. He ran as a Shaminren candidate but he was also supported by the NLC. According to the NLC, he is the type of person that the NLC would endorse, and if such members can increase, there is no need for separate organizations such as the NLC or the Shaminren. At any rate, Shaminren has only three Dietmen while the NLC has 12. Instead of going separately, why not get together? The only remaining problem is the name of the new party. One source says that the name of Shiminto [People's Party] has been proposed but the Shaminren is asking that the word "shakai" [socialist] be included in the party name. Whether the merger would take place is not yet certain, but the negotiation is in the final stages. The situation is this. The Shaminren stands to the right of the JSP and the NLC to the left of the LDP. Between them are the Komeito and the DSP. If the rightist and leftist elements can merge, there is a possibility that the Komeito and the DSP can be absorbed. No matter what has been said about them, in the past, such as the differences between the DSP and the JSP or what the Komeito stands for, it is a fact that the two small parties, caught in a squeeze, have been pushed around. However, if the aforementioned merger takes place, there is a possibility that the Komeito can easily fit in.

In the recent cabinet formation, a big scar has been left in the LDP because of the extremely cool treatment given the Nakasone faction. At a certain meeting a while ago, a Nakasone faction Dietman, Yohei Kono, and Shaminren Chairman Den got together. Takeiri was not present at the time. It was decided that a meeting of Takeiri, Den and Yohei Kono should be held. The DSP was to be left out because their thinking was different from that of DSP's Sasaki. At present, Yohei Kono is close enough to Takeiri to have their relations termed as "monolithic" but he is on extremely bad terms with Yano. First, the three persons would hold a meeting and then, the Komeito, NLC and Shaminren would form an organization and establish the nucleus for a coalition. Another factor to consider is the small earthquake occurring in the LDP. The earthquake has the potential of becoming a big earthquake. If Nakasone decides that he can never take over the political reins under present circumstances, he might take with him a number of persons and join the forces of Kono, Shaminren and Komeito. In the immediate future, Nakasone and Takeiri will hold a meeting. Where the meeting will be held is unknown. Nakasone is said to have revealed to a certain person that he had made up his mind. He will get nowhere as it is. If he cannot take over the government 2 years hence, the only thing he can do is to start the ball rolling. If he gets going, Komoto might not follow him, but a number of former Miki faction members might join him. Takeiri and Nakasone would join hands and Kono and Den would align with them. Whether the rightist elements of the DSP or the JSP would join is debatable, but they will be invited. In the general elections

expected 3 years from now, they will have organized close to 100 candidates, at the least. It is possible they can become a force surpassing the LDP. This is said to be the only way the Nakasone can have his political regime. Because of the cool treatment given Nakasone in the recent cabinet formation, small fissures are beginning to appear in the LDP, and stories, such as the foregoing, are beginning to be heard.

In other words, Japan is a tripolar structure. There are the LDP, the anti-mainstream LDP and middle-of-the-roaders, and left-wing forces consisting of the JCP and leftist elements of the LSP. This tripolar setup is inevitable. For Den as well as Yohei Kono, the opportunity is presenting itself for them to get together to consolidate their forces within the next 3 years.

This movement has considerable potentials. The last election showed that the Japanese have conservative trends. They are not for the JSP or JCP, neither for Komeito nor the DSP. They are a little further to the right. Since they had no other choice, they cast their ballots for the NLC and the LDP, which won 287 Diet seats. According to public opinion polls taken by the newspapers after the elections, 30 percent of those polled said that if they had known the LDP will take that many seats, they would not have voted for the LDP. They regret having given their votes to the LDP but actually, they have no other political party to choose. They can refrain from voting but that does not seem to be the alternative they want. There is a need to form a political party of their choice. That is the new coalition or a new middle-of-the-road coalition that Yohei Kono and Takeiri are considering. Until now, they had boycotted the LDP, but it is possible at this time that Nakasone might join them. Although slight, there is a possibility that the rightist faction of the JSP might also join. This coalition might become the bud of future movements. Will the bud grow or will the talks fail and the elections, 3 years hence, see the same pattern as today? Whichever it is, I think that the possibility is greater today than ever before.

Komeito's Anguish--The Struggle Between Takeiri and Yano

"K": I've heard the rumor from before that Takeiri is close to Tanaka, but is it true that Sasaki is close to Tanaka?

"O": At present, Kasuga is close to Fukuda and not on good terms with Tanaka. Even the DSP must have a pipeline to Mejiro, and it is said that Sasaki has begun to get quite close.

Within the four middle-of-the-road parties, Sasaki is the only outcast and this is because he is not on good terms with Takeiri. The latter is a very shrewd person and is utilizing the scandals about Daisaku Ikeda of Soka Gakkai [Value Creation Society] which came up during the elections to try to evade leadership responsibilities for the election defeat and place

the blame on Daihaku Ikeda's scandals. He is fully aware, too, that if he quits now there is no successor. Takeiri still has a lot of power.

"K": What about the relations between Takeiri and Yano?

"O": They are on extremely bad terms. Both Kono and Den are saying this, but the one you can trust is Takeiri. Yesterday, I met with a reporter of AKAHATA [JCP organ RED FLAG]. An investigation by AKAHATA revealed that it was "Y" who spilled information on the series of Ikeda scandals to Junio Naito. It is reported, though reliability is unknown, that the same thing is being said among Komeito leaders. It is also said that relationships between Ikeda and Yano are not good. Ikeda and Takeiri are on quite good terms.

"Y": What do the leaders of the middle-of-the-road opposition parties think about the scandalous traits of Nakasone as a person, leaving aside the issue of his status within the LDP? There are a number of "black rumors" about him, for example, it is said that he was associated in the past with Kodama, he was involved in the Shokusan incident, he put money amounting to hundreds of millions, intended for Tanaka faction, into his own coffer, etc. Won't Nakasone's personal characteristics become an issue?

"O": As far as I know, such matters are hardly mentioned. It is possible that should Nakasone, Takeiri, Den and Kono take to their respective parties items [relative to Nakasone's scandals] that they mutually agreed upon and ask for consent of party members to do as the leaders please, they could split their parties apart. But the party leaders are not talking about an individual's scandals. Rather, they are talking like politicians that if Nakasone is willing to participate in developing this new possibility, let us pull him in. Takeiri is taking the initiative in this action. If the coalition is to be formed, the scandals of an individual are not regarded as a problem at the level of party leaders. However, I think that an individual's scandals would pose a problem if they are brought before the party members. As in the case of Shakomin [JSP, Komeito, DSP], the great cause will be put in the forefront, and if an election is to be held, it is possible that the coalition concept would immediately materialize.

"K": Whether in the Shakomin or the present coalition, Komeito is always the center and pulled from both sides. Except for Jishakyo [LDP, JSP, JCP], Komeito is best qualified as a national political party in organization as well as publicity.

For those reasons, Komeito is always the target but behind the Komeito is Soka Gakkai, and it is a fact that hopes are placed on Soka Gakkai's

power. However, at present, the relations between Komeito and Soka Gakkai are not altogether good.

"Y": Outwardly, they are bad. However, the basic problem is that the Soka Gakkai itself does not possess the power that it once had. Membership has decreased and the Ikeda scandals came out. Members want to restrict their activities to Gakkai and cannot afford to dole out money to both Gakkai and Komeito. Furthermore, they seem to be under unjustly severe public criticism. To put it sarcastically, the issue is not whether the relations are good or bad but the problem is the considerable loss of Gakkai's power as compared with before. This is a serious matter for the Komeito, too.

"N": Isn't the Komeito in favor of leaving the Soka Gakkai? However, in leaving the Gakkai, Komeito must plan concrete measures and they cannot survive without somehow getting labor union votes. That is why they have shown interest in Sohyo and Domei [Japanese Confederation of Labor]. I've heard that they also considered a coalition of Shako [JSP, Komeito] or Komin [Komeito, DSP].

9134

CSO: 4105

MILITARY

JDA SUBMITS FY 1981 BUDGET REQUESTS

Tokyo JPE AVIATION REPORT-WEEKLY in English 10 Sep 80 pp 1-6

[Text]

The Japanese Defense Agency (JDA) will request appropriations of ¥2,446,500 million for FY 1981, up 9.7 percent over the current fiscal year. The proposed budget contains ¥2,162,721 million for the Self-Defense Forces and JDA, and ¥283,800 million for the Defense Facilities Administration Agency (DFAA).

Major military items which JDA plans to procure in FY '81 include: six Lockheed C-130H transports, one 4,500-ton DDG, three 2,900-ton DDs, 80 Model 74 tanks, and seven 203mm new self-propelled howitzers.

For procurement of antiair missile systems, JDA will request ¥59,689 million for improved Hawks, Nike-Js (one group each), ten Tan-SAM sets and 49 Stinger portable antiair missile units for the ground and air forces.

Concerning new aircraft-related R&D items, JDA will request ¥2,398 million for basic designing of the MT-X medium trainer aircraft, ¥2,510 million for studies and fabrication of the configured control vehicle (CCV), and ¥2,550 million for fabrication of five turbofan engines for the MT-X.

The request by the Technical R&D Institute (TR&DI) will total ¥35,422 million up 23 percent over this fiscal year.

A breakdown of the FY '81 defense budget request follows:

*Comparison with previous years

- unit: ¥100 mil.	FY '79 <u>Allocation</u>	FY '80 <u>Allocation</u>	FY '81 <u>Requests</u>
Defense Agency allocations and requests	20,944	22,301	24,465
% up from previous year	10.2	6.5	9.7
1. JDA & SDF	18,526	19,705	21,627
% up from previous year	8.4	6.4	9.8
2. DFAA	2,417	2,596	2,838
% up from previous year	26.0	7.4	9.3

*Organization-by-organization breakdown in the
expenditures account

- unit: ¥1 mil.	FY '81 <u>Requests(A)</u>	FY '80 <u>Allocations(B)</u>	Up <u>(A)-(B)</u>	Up <u>(A)/(B)%</u>
GSDF	937,195	887,275	49,920	5.6
MSDF	571,188	509,657	61,531	12.1
ASDF	584,625	514,435	70,190	13.6
sub total	2,093,008	1,911,367	181,641	9.5
Internal Bureaus	7,835	6,771	1,064	15.7
Joint Staff Council	909	843	66	7.6
Defense Staff College	691	785	-94	-11.9
Defense Academy	9,866	8,902	965	10.8
Defense Medical College	11,155	9,336	1,819	19.5
Technical R&D Institute	35,422	28,770	6,652	23.1

- unit: ¥ 1 mil.	FY '81 Requests(A)	FY '80 Allocations(B)	Up (A)-(B)	Up (A)/(B)%
Central Procurement Office	3,833	3,686	148	4.0
sub total	69,713	59,092	10,621	18.0
Total	2,162,721	1,970,459	192,262	9.8

*Class "A" army equipment

- unit: ¥1 mil.	<u>Q'ty</u>	<u>FY '81 Expenditure</u>	<u>Follow-on Disbursement</u>	<u>Total Spending</u>
New type pistols	2,200	0	196	196
Model 64 rifles	5,000	0	770	770
Model 62 machine guns	51	0	99	99
Model 74 machine guns	38	0	93	93
84mm recoilless guns	219	0	495	495
Model 79 Ju-MAT launchers	9 sets	0	559	559
Model 64 81mm mortars	44	0	121	121
Model 75 155mm self-propelled howitzers	34	0	8,938	8,938
203mm self-propelled howitzers	7	124	1,949	2,073
Model 75 130mm multiple-loaded rocket launchers	8	0	1,564	1,564
Model 74 tanks	80	0	27,396	27,396
Model 73 APCs	9	0	892	892
Model 78 tank recovery vehicles	5	0	1,160	1,160

Model 78 snow vehicles	30	0	789	789
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Model 70 pontoons	3	0	452	452
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Total:		124	45,472	45,596
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*Aircraft

- unit: Y1 mil.	<u>Qty</u>	<u>FY '81 Expenditure</u>	<u>Follow-on Disbursement</u>	<u>Total Spending</u>
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GSDF

OH-6D helicopters	8	93	1,411	1,504
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HU-1H helicopters	6	225	2,853	3,078
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LR-1 turboprops	2	65	905	970
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sub total:	16	383	5,169	5,552
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MSDF

TC-90 trainers	4	199	1,611	1,810
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KM-2 primary trainer	1	11	155	167
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HSS-2B helicopters	11	646	28,048	28,694
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S-61A helicopter	1	51	1,730	1,781
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sub total:	17	907	31,544	32,451
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ASDF

F-1 support fighters	3	349	6,015	6,365
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E-2C early warning aircraft	4	1,668	48,156	49,825
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C-130H transports	6	2,508	38,874	41,382
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T-2 advanced trainers	9	622	19,461	20,083
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MU-2 rescue aircraft	1	41	455	496
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V-107A helicopters	2	231	2,766	2,996
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sub total:	25	5,419	115,727	121,146
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Total:	58	6,710	152,450	159,159

*M&D shipbuilding

unit: 1 mil.	FY	FY '81 Expenditure	Follow-on Disbursement	Total Spending
4,500-ton DPs	1	5,030	56,950	61,980
2,000-ton DPs	3	1,780	101,741	103,521
2,200-ton SS	1	471	29,746	30,217
140-ton MSCs	2	14	9,296	9,310
300-ton LST	1	86	1,546	1,632
1,100-ton AGS	1	650	5,874	6,524
1,600-ton AS	1	318	30,545	30,863
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sub total	10	8,348	235,697	244,045
Auxiliary ships	5	701	334	1,035
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FRAM program		1,040	18,286	19,326
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Total:		10,089	254,317	264,406

*Guided weapons

= unit: Y1 mil.

<u>Item</u>	<u>FY '81 Expenditure</u>	<u>Follow-on Disbursement</u>	<u>Total spending</u>
Nike-Ja (for one group)	526	1,499	2,025
Improved Hawks (for 2nd AAA Gp)	1,927	28,629	30,557
10 Tan-SAM sets	1,288	24,465	25,753
49 Stinger sets	677	677	1,354
Total:	4,418	55,271	59,689

*Military aid

= unit: Y1 mil.

	<u>Number of R&D items</u>	<u>FY '81 Expenditure</u>	<u>Follow-on Disbursement</u>
guided weapons	8	1,550	4,461
Electronic equipment	16	2,381	5,285
Firearms and vehicles	8	1,157	892
Ships and underwater weapons	9	1,848	4,570
Aircraft	7	1,753	7,101
Total:	48	8,689	22,315

CSC: 4120

MILITARY

PURCHASE OF 390 AIRCRAFT PLANNED IN FY 1980-84

Tokyo JPE AVIATION REPORT-WEEKLY in English 17 Sep 80 p 6

[Text]

The latest figures in Defense Agency's draft budget for FY 1981 cover procurement of 390 aircraft during FY 1980 through 1984, two less than originally planned in July last year. The GsDF will procure 108 aircraft (against the original request for 111) and the MSDF 129 (134), while the ASDF will purchase 153, eight more than originally planned. The increase in the ASDF total is due to the additional purchase of Lockheed C-130H transports.

Breakdown of the aircraft procurement program by service follows:-

GSDF-----Total 108: 55 OH-6D helicopters, 42 HO-1H helicopters, one V-107A helicopter; two CH-53 large helicopters, six BR-1 liaison-reconnaissance planes, and two TL-1 trainers. (Note: The purchase of Bell AH-1S antitank helicopters is pending)

MSDF-----Total 129: 37 P-3C antisubmarine patrol aircraft, 40 HSS-2H antisubmarine helicopters, two new shipborne helicopters, six new mine-sweeping helicopters, two US-1 rescue flyingboats, three training support aircraft, eight HO-4H rescue helicopters, three KM-2 trainers, 10 TC-90 instrument flight trainers, and six OH-6D helicopters.

ASDF-----Total 153: 77 F-15DJ fighters, 13 F-1 support fighters, four F-2C early warning aircraft, 12 C-130H transports, 23 T-2 supersonic trainers, six T-1 basic trainers, five M-2 search planes, six V-107 rescue helicopters, and seven new heavy-lift helicopters.

MILITARY

GSDF-ASDF SAM DEPLOYMENT PLANS

Tokyo JPE AVIATION REPORT-WEEKLY in English 17 Sep 80 pp 6-8

[Text]

As reported earlier, the Defense Agency has requested funds in the FY 1981 draft defense budget to procure 10 units of the Japanese Tan(short-range) SAM worth ¥25,753 million and 49 units of the Stinger portable antiair missile. These surface-to-air missiles are intended for service with the GSDF and the ASDF.

Deployment plans by service follow:-

GSDF-----24 units of the Tan SAM will be procured during FY 1981 through 1984 for deployment with four divisions (2nd, 5th, 7th and 11th) under the Northern Command, the Ordnance School, the Antiaircraft Artillery School, and AA Instructors School. Delivery of the Tan SAM will be at a rate of six annually. The 9,000-man divisions - 2nd, 7th and 11th---will be equipped with four units each while the 7,000-man 5th Division will receive three units. The GSDF will eventually require about 60 units to equip its 11 divisions, two mixed brigades, and service schools.

The Tan SAM unit comprises two launchers, 16 missiles, and one set of the fire control system. The unit will be mounted on an armored vehicle for mobile operation. The effective range of the Japanese short-range SAM is about 7 kilometers. A crew of 30 will be required for each unit.

The Stinger will be deployed for close air defense by infantry and artillery units. The GSDF will procure 151 units during FY 1981-84. An initial order for 37 units is scheduled in FY 1981 for the 7th Division and training purposes. During FY 1982 through 1984, orders will be

placed for annual delivery of 78 units. The 9,000-man divisions will receive about 40 Stingers each and the 7,000-man divisions about 30 units each. The GSDF will eventually require 550 Stingers.

ASDF-----12 units of the Tan SAM will be procured during FY 1981 through 1984, 10 for five air bases and two for the 2nd ASDF Technical School. The first four units to be ordered in FY 1981 will be delivered to the 2nd Technical School and Chitose Air Base in Hokkaido. If the ASDF plans to equip all of its seven major fighter bases---Chitose, Misawa, Hyakuri, Komatsu, Tsuiki, Nyutabaru, and Naha---with two Tan SAMs each, further procurement will be made in FYs 1986 and 1987 for two units each. Naturally if the ASDF decides to deploy Tan SAMs with 10 alternate operational bases, further procurement will be required. Specialized units will be activated to operate the Tan SAM.

Procurement of the Stinger up to the FY 1984 will total 120 units for deployment at five air bases (24 units each). The first 12 units to be ordered in FY 1981 will go to Chitose. Thirty-six units will be procured annually between FY 1982 and FY 1984. The ASDF will eventually require about 900 Stingers for deployment at 23 air bases and 28 radar sites. Unless the current procurement rate is increased, it will take over 20 years to complete the program. Specially trained instructors will train air base personnel to operate Stinger SAMs.

In addition to the Tan SAM and the Stinger, the ASDF plans to introduce 20mm Vulcan antiaircraft guns for defense of air bases and radar sites. About 600 units will be required for deployment of 16 units each at 23 air bases and eight units each at 28 radar sites.

For air defense of air bases, the Tan SAM will be used against targets 10 km away. The Stinger will cover targets within the 2-to-3 km range and the Vulcan will be used against those within 1 km. Conversion of the airborne Vulcan of obsolete F-104 fighters for ground use is being studied.

CSO: 4120

MILITARY

ORDER SET FOR 120MM HEAT FOR NEW TANK

Tokyo JPE AVIATION REPORT-WEEKLY in English 17 Sep 80 p 8

[Text]

The Japanese Defense Agency placed an order worth ¥123.4 million with Komatsu Seisakusho recently for development of 120mm HEAT ammunition for use with a smoothbore gun of the projected new main battle tank of the GSDF. It was the first Japanese effort to test manufacture antitank high explosive ammunition. Komatsu will deliver a sample of its HEAT ammunition by the end of March 1981.

For the new GSDF main battle tank scheduled to be adopted in 1988, a 120mm smoothbore gun and ammunition, armor, and chassis and suspension systems will be test manufactured under FY 1980 funding. Development of APDSFS type ammunition for the 120mm gun is now under way by Daikin Kogyo. The company last year worked on APDSFS ammunition for a 105mm gun.

Daikin is manufacturing Type 76 TKG explosives while Komatsu is responsible for 90mm and 105mm TKG explosives for GSDF tanks. Armor-piercing ammunition is being imported from the United Kingdom.

The 120mm HEAT ordered from Komatsu is said to be common with that used by the US Army.

CSO: 4120

ECONOMIC

JETRO'S WHITE PAPER ON JAPAN'S TRADE PROSPECTS FOR 1980'S

OW180811 Tokyo KYODO in English 0755 GMT 18 Sep 80

[Text] Tokyo Sept 18 KYODO--Japan must take multilateral approach to maintain free trade by recognizing actual industrial situations in its trading partners in 1980's, a semiofficial Japanese trade promoting agency suggested Thursday.

Assessing Japan's trade prospect in the 1980's, the Japan External Trade Organization (JETRO) made the comment in its white paper for 1980 on overseas markets, titled "Japan's Trade in Era of Interdependence," analyzing a change in world's trade structure in 1970's.

Stressing that world economy is linked in mutual dependence, the paper said that with the 1973 and 1979 oil crises, the horizontal trade, a key factor among industrialized nations, has been enlarged into wider regional bonds, resulting in deeper interdependence worldwide.

The paper, compiled on the basis of field reports from JETRO's 74 offices in 56 countries, has angles different from the Ministry of International Trade and Industry's "White Paper on Trade" made up of statistics on item-wise and countrywise export and import trends.

It observed that the "north-south problem" of confrontation between the industrialized and developing nations will turn into the era of cooperation linking the economic growth of the north and development of the south.

The paper also emphasized that growing trade frictions among the industrialized nations will directly concern international responsibility of enterprises, constituting a major issue requiring adjustment in the 1980's.

Touching on exports of light industry whose production share is high in Japan's small and medium sized firms, JETRO said that Southeast Asian nations are (?becoming) highly important export markets.

It noted that Japan's light industry products turned higher again following the yen's depreciation against the U.S. dollar after 1978.

There is a consumption boom now in Southeast Asian countries backed by their increasing income, the paper said, adding that there has been structural change in international consumption with individual consumption becoming diversified in Europe and the United States.

Describing the trend as "consumption renaissance," the paper called on Japanese firms to become knowledge intensive about commodities and exert their export efforts in this direction.

CSO: 4120

ECONOMIC

JAPAN'S ECONOMIC PLANNING AGENCY REPORTS ON BUSINESS SLOWDOWN

OW160709 Tokyo KYODO in English 0102 GMT 16 Sep 80

[Text] Tokyo Sept 16 KYODO--Signs of stagnancy in the nation's business are spreading to various sectors, the Economic Planning Agency said Tuesday in its monthly report on the economy.

The report was made by Director General Toshio Komoto of EPA at a meeting of cabinet ministers concerned with economic affairs.

It said that while consumer prices were showing a trend of stabilizing at a high level, personal spendings were continuing to indicate a tendency of declining.

It also said shipments of producers were slowing down, tempo of expansion of business marking time and corporations showing increasing signs of taking a more cautious stand.

In placing emphasis on such trends, the EPA indicated that the government's basic stand in managing the economic policies had shifted from one laying top emphasis on prices to one laying stress on both prices and business.

Based on such judgment, the government decided an eight-point package on September 5.

The EPA report said:

--Exports and private plant and equipment investments were continuing to increase but the tempo of expansion of the economy was slowing down due to dulling of personal spendings and decreased demand. Production and shipments also were declining and enterprises were becoming more cautious in making judgments on their activities.

--The rise in wholesale prices has tapered off and commodities markets are being maintained virtually on a stable basis. Consumer prices also are moving in the direction of stability but the increase rate when compared with the previous year's level still is high.

--Taking into account such a situation, the Bank of Japan lowered the official discount rate 0.75 percent last month and the government decided an eight-point package aimed at stabilizing prices and maintaining business at the present level.

--As for business situation in other countries, the business recession in the U.S. has slowed down while business in West European countries generally is moving downward. Prices are remaining at a high level but the rate of increase has slowed down. Prices on international commodities markets are rising due to unfavorable weather conditions.

CSO: 4120

ECONOMIC

JAPAN TRADE DEFICIT DECLINES IN AUGUST FOR FIFTH CONSECUTIVE MONTH

OW171107 Tokyo KYODO in English 0748 GMT 17 Sep 80

[Text] Tokyo Sept 17 KYODO--Due to brisk exports and a fall in oil imports, Japan's trade deficit was reduced in August for the fifth consecutive monthly decline, the finance ministry said Wednesday.

The deficit was dollar 783.9 million on a customs clearance basis, compared with dollar 973 million in the red in July and a dollar 1,672.9 million deficit in August last year.

August exports jumped 25.0 percent over a year before to dollar 10,390.9 million, while imports rose only 11.9 percent to dollar 11,174.8 million.

This was the first time since October, 1978, that growth rate of exports exceeded that of imports.

The figures are preliminary and may be revised later.

Exports are calculated on a free on board basis and imports on a cost, insurance and freight basis.

In yen terms, exports rose 29.9 percent to yen 2,334.4 billion, while imports increased 16.4 percent to yen 2,512.6 billion, resulting [in] a yen 178.2 billion deficit against yen 361.3 billion in the red a year earlier.

Crude oil imports in August stood at 19 million kiloliters. It was the first time since June, 1979, that these imports fell below 20 million kiloliters.

Reflecting world oil glut, crude oil deliveries carried an average price of dollar 33.96 per barrel, down from dollar 34.17 in July but up over dollar 21.11 a year earlier. This was the first month-to-month decline in oil prices since December, 1978.

Growth rate of crude oil, oil products and coal imports, valued in dollar, slowed to 31.5 percent from 74.1 percent in July on a year-to-year basis.

Export of cars and other automotive vehicles remained high in August at 491,002 units. These exports hit an all-time high of 542,000 units in July.

The surplus with the United States widened to dollar 412 million from dollar 319 million a year earlier.

Japanese autos accounted for 22.4 percent of the U.S. market in August, off slightly from a record 23.7 percent in July.

Steel exports to the U.S. halved from a year earlier to 254,000 tons, worth dollar 164.5 million which represented a 28.7 percent drop. This was the first year-to-year decline since February 1979.

Suspension of trigger price system since last March has a reason for the steep fall, ministry officials said.

The trade surplus with the nine-nation European community soared to dollar 764 million from dollar 287 million.

The trade balance with Southeast Asia turned to dollar 140 million in the black from a dollar 217 million deficit.

On a seasonally adjusted basis, total exports came to dollar 10,832.8 million, while imports totaled dollar 11,028.1 million, leaving a deficit of dollar 195.2 million against dollar 1,778 million in the red the previous month.

CSO: 4120

ECONOMIC

JAPANESE INSTITUTE ISSUES MEDIUM-TERM ECONOMIC FORECAST

OW291409 Tokyo KYODO in English 1250 GMT 29 Sep 80

[Text] Tokyo Sept 29 KYODO--The Japanese economy will register a real growth of some 6 percent both in fiscal 1981 and 1982 and the inflation rate will slow down markedly while the yen will appreciate sharply against the U.S. dollar.

This rosy picture was painted by the research institute of national economy, a government-financed nonprofit research organization, in its medium-term economic forecast, covering the fiscal 1981-83 period.

The forecast was worked out on the assumption that crude oil price increases will prove moderate in the three years--about 10 percent each in fiscal 1981 and 1982 and some 20 percent in fiscal 1983. At these annual increase rates, crude oil prices will stand at \$50 a barrel in fiscal 1983.

It expected Japan's gross national product (GNP) to register an annual growth of about 6 percent both in fiscal 1981 and 1982 in real terms, with brisk capital investments in the private sector and exports as the prime mover.

For the immediate future, the forecast said the Japanese economy will face no recession at all in the current fiscal year, ending next March.

The nation's real economic growth, however, will slow down to 4.5 percent in fiscal 1983, according to the forecast.

The forecast also said the annual wholesale price increase rate will decline to 2.3 percent in fiscal 1981 from the estimated 14 percent in fiscal 1980, although it may increase slightly to 2.5 percent in fiscal 1982. [figure as received]

The annual consumer price increase rate will stand at 7.9 percent in fiscal 1980, 5.5 percent in fiscal 1981 and 5.7 percent in fiscal 1982, it added.

In fiscal 1983, however, both wholesale and consumer prices will register an increase of more than 7 percent, it noted.

The forecast also said government bond issues in fiscal 1983 will decrease to about yen 9 trillion worth, reducing the budget dependence on public borrowings to about 17 percent. The budget's dependence on such borrowings hit 34.7 percent in fiscal 1979 and 33.5 percent in fiscal 1980.

Regarding the nation's balance of payments position, it said the nation's current account will register a surplus in the first half of fiscal 1982, in contrast with a chronic deficit at present.

With foreign funds expected to continue to flow into this country in large quantities, the Japanese yen is expected to appreciate to about yen 170 to the dollar in the first half of 1982, it added.

CSO: 4120

ECONOMIC

BALANCE OF PAYMENTS SURPLUS IN AUGUST POSTED

04300415 Tokyo KYODO In English 0405 GMT 30 Sep 80

[Text] Tokyo Sep 30 KYODO--Reflecting an improved trade balance and a huge influx of oil money, Japan's overall balance of payments posted a surplus in August for the second consecutive month, according to revised government figures released Tuesday.

The overall balance of payments (the current account plus long-term and short-term capital accounts) was \$879 million in surplus.

The balance showed a \$322 million surplus in the previous month for the first black figure since September, 1978.

Due to continued brisk exports and a slowdown in growth rate of imports, the current account deficit narrowed to \$864 million from \$1,030 million in July.

August exports came to \$10,133 million, up 24 percent from the year before, while imports rose only 11 percent to \$9,819 million. This left a trade surplus of \$314 million, against a \$113 surplus the previous month.

The trade figures were calculated on the International Monetary Fund (IMF) basis with both exports and imports calculated on a free on board basis.

On the long-term capital account, inflow of foreign investment posted an all-time high of \$2,131 million, bringing a \$1,075 million surplus on the account. July balance was a surplus of \$799 million.

The basic balance (the current account plus the long-term capital account) returned to a surplus of \$211 million in August from a \$231 million deficit.

The balance of payments (in millions of dollars, revised, before seasonal adjustments):

	July	August
Current Account	- 1,030	- 864
Trade	113	314
Exports	11,241	10,133
Imports	11,128	9,819
Invisible Trade	- 1,003	-1,088
Transfers	- 140	- 90
Long-Term Capital	799	1,075
(Basic Balance)	- 231	211
Short-Term Capital	324	260
Errors and Omissions	229	408
Overall Balance	322	879

CSO: 4120

ECONOMIC

RISE WARS: COUNTRY TO FACE MORE TRADE FRICTION

Tokyo KYODO in English no time given 22 Sep 80 OW

[Article by Hidesuke Nagashima]

[Text] Tokyo Sept 22 KYODO--The Japanese are generally considered food-short, importing a wide range of food such as beef, fish and fruit, but one thing they have too much of is rice.

Japan is in the process of reducing its huge, unwanted rice stock and recently has been filling increasing orders from abroad for surplus rice--especially in the wake of worldwide grain crop damage caused by the abnormal weather this past summer.

The active exports are giving rise to concern that Japan may face yet another round of trade friction for allegedly taking business away from other rice-exporting countries.

Agriculturally speaking, this summer was a disaster, with widespread droughts, floods and unseasonable cold weather working havoc on world grain production.

The upshot of all this is that amid the worsening food shortage, there is an increasing demand for food grains around the world.

Already, there are reports that the United States, Thailand, Burma and other rice-exporting nations are unhappy about Japan's growing rice exports.

Japan's rice exports on a contract basis so far in the current fiscal 1980--started last April--have totaled 443,000 tons.

That would appear to have exceeded Japan's rice export ceiling of 420,000 tons for this fiscal year set in an agreement with the U.S., though the food agency denies it.

"The apparent total includes a shipment of 88,000 tons to food-short South Korea being sent as part of special aid after consultation with the U.S.," said an official. "That is supposed to be exempt from the export control agreement."

He said Japan has had no complaints from the U.S. over the exports exceeding the annual limit.

But even excluding the special aid to South Korea, Japan's rice exports in the first half of the fiscal year have totaled 355,000 tons, 85 percent of the annual limit.

Exports throughout the fiscal year are likely to hit at least 600,000 tons, far above the 420,000-ton ceiling, in view of the worsening world food shortage.

The export-limiting agreement was hammered out in Tokyo last April in the wake of U.S. allegations that Japan's surplus rice exports affected U.S. rice exports to South Korea, Indonesia and other nations.

Under that agreement, Japan is to limit its total rice exports in fiscal 1980-81 to 1.6 million tons, including 420,000 tons in the first year.

Of the total, exports to South Korea and Indonesia--the traditional U.S. markets--were limited to 640,000 tons, including 220,000 tons in the first year.

The agreement exempts food aid to nations hit by crop damage.

The U.S., exporting 2.2 to 2.4 million tons of rice annually from California, Arkansas and other states, is the world's largest rice exporter. In comparison, Japan exported 910,000 tons of rice in the last fiscal year.

If American rice farmers are complaining about Japanese rice exports, that's nothing new.

Japan's low-cost mass exports of surplus rice have been another source of Japan-U.S. trade friction--besides cars, home electronics and other industrial products--for some time.

The U.S. in the past has accused Japan of "dumping" rice on world markets at government-subsidized prices, threatening U.S. rice export business.

The problem has occurred basically because Japan is trying to dispose of its big excess rice stock.

The rice glut in Japan is a structural problem. The government's rice price support system, established during the wartime food shortage and continuing to this day, has the effect of encouraging farmers to keep producing rice despite declining demand.

Under the national rice distribution system, the government buys rice at high prices and sells it to consumers at low prices. The deficit is covered with tax money.

It is exactly this system that has stirred "dumping" allegations abroad against Japan's rice exports.

Recent export deals were priced at yen 89,000-99,000 (dollar 4.30-4.70) per ton, about one-third the government's domestic rice purchase prices.

The government-backed rice distribution system has remained in effect all these years while demand for rice has been steadily declining amid the growing Westernization of Japanese eating habits.

People simply have been eating more bread and less rice while the nation has enjoyed one bumper rice crop after another. The result, naturally, is a growing glut of old-crop rice in government warehouses.

To curtail the unwanted stock, the government has been promoting a five-year project since last fiscal year to dispose of 4.8 million tons of surplus rice.

The two-pronged campaign involves efforts to sell rice overseas and promote local consumption through the development of new rice-based food products.

In the last fiscal year, Japan's rice exports hit 910,000 tons, far exceeding the original target of 200,000 tons and stirring U.S. criticism, which led to the export control agreement last April.

The export contracts concluded so far this fiscal year include 158,000 tons to South Korea (including 88,000 tons in food aid that food agency officials say are exempt from the export limit) and 150,000 tons to Indonesia. Both nations suffer from serious food shortages.

Other contracts cover shipments to Bangladesh, Tanzania, Madagascar, Mozambique and Peru.

CSO: 4120

MITI REQUESTS ¥422 MILLION FOR Y-XX RESEARCH

Tokyo JPE AVIATION REPORT-WEEKLY in English 10 Sep 80 7,8

[Text]

The Ministry of International Trade and Industry (MITI) has requested ¥422 million for research into the Y-XX medium transport development project in its budget request for FY 1981 (April 1981-March 1982) announced at the end of August.

Of the amount, ¥420 million is for studies including specifications, preliminary design and evaluation tests. The remaining ¥2 million is for miscellaneous expenses.

In its industrial policies for FY 1981 submitted with the request, MITI says the government should help finance the Japan-United States-Italy Boeing 767 program and the Japan-Rolls-Royce RJ500 jet engine program as well as the Y-XX project in order to promote the nation's aircraft and engine industries. These industries are expected to play an important role as developers of advanced technology.

On the Boeing 767 program, it requested ¥2,778 million. Total expenditure by Japan in the program will amount to ¥8,325 million, half of which will be financed by the government next fiscal year. The program's financial scale comprises ¥1,782 million for design, ¥455 million for experimental development, ¥4,849 million (¥2,399 million in fiscal expenditure and ¥2,450 million in follow-on disbursement) for machine tools, ¥453 million for test fabrication, and ¥461 million for program operation.

Government financing for the RJ500 engine program is set at ¥5,157 million, consisting of ¥400 million for planning and development, ¥1,300 million for design

technology, ¥700 million for research, and ¥2,800 million for fabrication. The program's total financial scale for FY 1981 is estimated at about ¥14,200 million, half of which will be put up by the Japanese side.

Budget request involving the aircraft industry also include ¥3,300 million in loans from the Japan Development Bank or the Export-Import Bank to finance part of the costs of Japanese purchases of Boeing 767s. The financing will amount to a price corresponding to Japan's production share. Among Japanese airlines, All Nippon Airways (ANA) has decided to purchase 767s.

Other fiscal investment and loan requests for the aircraft industry are ¥500 million for promotion of the aircraft parts industry and ¥2,010 million for an aero jet engine development program.

MITI's FY 1981 policies also say research and development of the first earth resources satellite (ERS-1) for resources observation will be launched to promote Japan's resources and energy policy as well as space development technology. In the budget requests, ¥436 million is destined for the general account covering research and development of the ERS-1, ¥1,658 million to the alternative energy special account for the same purpose, and ¥2,000 million in loans from the Japan Development Bank for promotion of the space exploration equipment parts industry.

CSO: 4120

ECONOMIC

BOEING GIVES POSITIVE RESPONSE TO Y-XX PROJECT

Tokyo JPE AVIATION REPORT-WEEKLY in English 10 Sep 80 pp 7,8

[Text]

Boeing Commercial Airplane Co. has expressed positive response to Japan's Y-XX medium jetliner development project. The positive response came when representatives of Japanese aircraft manufacturers held talks with Boeing executives in Seattle recently to find out its attitude toward the Y-XX project, which has yet to take definite shape, according to Japanese industry sources.

Boeing execs told their visitors that the company is ready to discuss a specific design for the Y-XX and a development schedule on condition that the Y-XX would be developed jointly by Boeing and the Japanese aircraft industry.

The representatives, including Managing Directors I. Shibuya of FHI, K. Ikeda of MHI, and K. Uchino of CTDC visited Boeing at the request of the Policy Subcommittee, Aircraft Division, Aircraft and Machinery Industry Council, an advisory body to MITI. Shibuya and Ikeda also visited Fokker and Airbus Industrie together with Managing Director T. Yamada of KHI for the same purpose before visiting Boeing.

Regarding the Y-XX project, Fokker has proposed joint development of the F-29, and Airbus Industrie has come up with the A3 plan.

The direct talks with the three foreign firms have found out their policies on new aircraft projects. However, the Japanese representatives have differences over some aspects of the partner selection. Under the circumstances, FHI Chairman Eiichi Ohara, who is also Chairman of the Society of Japanese Aerospace Companies (SJAC), will visit Chairmen Gakuji Moriya of MHI and Kiyoshi Yotsumoto of KHI soon in order to exchange views, according to aircraft industry sources.

The three industry leaders are then expected to submit their unified opinion to the advisory council on foreign partner selection.

ECONOMIC

P-3C EQUIPMENT TO BE PRODUCED HERE UNDER LICENSE

Tokyo JPE AVIATION REPORT-WEEKLY in English 17 Sep 80 3-5

[Text]

The Japanese Defense Agency (JDA) has decided to locally procure 26 items for the ten P-3C antisubmarine patrol aircraft which will be ordered this fiscal year under its second P-3C production program. A breakdown of the manufacturer-licensor listing follows:

<u>ITEM</u>	<u>JAPANESE MANUFACTURER</u>	<u>LICENSOR</u>
ARC-143 UHF radio	Mitsubishi Electric Corp.	RCA
ARN-83 automatic direction finders	"	Collins Radio, Rockwell Int'l
ALQ-78 countermeasure equipment	"	Loral Electronics Systems Div.
ASQ-81 (V) magnetic detection systems	"	Texas Instruments Inc.
AQA-7 (V) DIFAR	Nippon Electric Co.	Magnavox Government & Industrial Electronics Co.

<u>ITEM</u>	<u>JAPANESE MANUFACTURER</u>	<u>LICENSOR</u>
ARN-118 TACAN	Nippon Electric Co.	Gould Inc.
LIN-72 inertial navigation equipment, including digital data units	Toshiba	Litton Industries
APS-115B search radar	"	Texas Instruments Inc.
ACQ-5 data terminal equipment	Hitachi Ltd.	GTE Sylvania Inc.
ERT-26 (V) crash locator	Fujitsu Ltd.	Ray Co.
AWG-19 missile control systems	Mitsubishi Heavy Industries Ltd.	McDonnell Douglas Corp.
ASA-64A magnetic signal processing systems	Shimadzu Ltd.	CAF Industries Ltd.
RO-32/ASQ magnetic recorders	"	Emerson Electric Co.
APN-187 or APN-227 Doppler radar	Mitsubishi Precision Co.	Singer Co. or Canadian Marconi Co.
APX-76 Interrogator	Toyo Communication Equipment Co.	Hazeltine Corp.
APX-72 IFF	"	"
RO-308/SSQ-36 recorders	Oki Electric Co.	Weston Instruments Div., Sangamo-Weston Inc.
ID-1872A underwater noise level indicator	"	NAFI
AGC-6 teletypes	"	ECI Div., E-Systems Inc.

<u>ITEM</u>	<u>JAPANESE MANUFACTURER</u>	<u>LICENSOR</u>
APN-194 radio altimeters	Japan Aviation Electronics Industry Inc.	Honeywell Inc.
R-1651 sonobuoy indicator, including controlling equipment	Japan Radio Co.	Texas Instruments Inc.
ARN-99 Omega navigation equipment	Furuno Electric Co.	Northrop Corp.
ARC-161 HF radio	Kokusai Electric Co.	RCA
CC-2070/ARC control equipment	"	Sperry Marine Systems, Sperry Rand Corp.
AIC-22 interphone systems	Nagano Japan Radio Co.	Telephonics Corp.
AQH-4 (V) 2 sono-data recorders	Ikegami Tsushinki Co.	Precision Data Inc.

CSO: 4120

ECONOMIC

BRIEFS

DELEGATION TO PARAGUAY--Tokyo Sept 12 KYODO--The government announced Friday that it will send a six-member delegation to Paraguay Sunday to help the South American country expand and modernize its telecommunication and broadcasting networks. The delegation headed by Tateo Iwata, counselor of the posts and telecommunications ministry, will stay in Paraguay for 17 days, according to a government spokesman. He said the delegation is going to Paraguay at the request of its government. [Text] [OW121241 Tokyo KYODO in English 0829 GMT 12 Sep 80]

CREDIT TO COLOMBIA--Tokyo Sept 12 KYODO--The Governmental Export-Import Bank of Japan will extend buyer's credit up to yen 3.26 billion to ICEL, Colombia's electric power agency. They signed the contract on Thursday for the syndicated loan by seven Japanese foreign exchange banks. It will be used for buying electric power equipment, including turbines and generators, and paying for services from Japan in connection with the project to expand a coal thermal power plant in Paipa, Western Colombia. This was the fourth buyer's credit extended to Colombia by Eximbank. [Text] [OW121241 Tokyo KYODO in English 0546 GMT 12 Sep 80]

AUSTRALIAN URANIUM MINING--Tokyo Sept 12 KYODO--Three Japanese electric power companies and a trading firm set up a joint venture in Tokyo Friday to acquire an interest in an Australian uranium mine. The new company, Japan Australia Uranium Resources Development Co (JAURDC), will channel money to development of the Ranger Uranium Mine in northern territory. Energy Resources of Australia Ltd (ERA), the Canberra-based operator of the mine, will, in return, provide the Japanese companies with an assured supply of about 1,000 short tons of uranium concentrates (yellow cake) a year for 15 years, beginning in 1982. The supply amounts to a third of Japanese present annual consumption. Jaurdc, capitalized at yen 4 billion (dollar 18.6 million), is owned 50 percent by Kansai Electric Power Co, 25 percent by Kyushu Electric Power Co, 15 percent by Shikoku Electric Power Co and 10 percent by C. Itoh and Co. [OW121245 Tokyo KYODO in English 0739 GMT 12 Sep 80]

AID TO SOLOMON ISLANDS--Tokyo Sept 11 KYODO--Japan will extend a grant totaling yen 2 million to the Solomon Islands for cultural cooperation,

the foreign ministry announced Thursday. Notes to this effect were exchanged in Honiara by Takashi Sengoku, ambassador to Papua, New Guinea and concurrently ambassador to the Solomon Islands, and Denis Lulei, youth and cultural affairs minister of the Solomon Islands. With the Japanese aid, the islands will purchase equipment for physical education at schools such as track and field, softball, tennis, hockey and table tennis, officials said. [Text] [OW121245 Tokyo KYODO in English 0412 GMT 11 Sep 80]

RICE FOR MADAGASCAR--Tokyo Sept 12 KYODO--The government will export 20,000 tons of polished rice to Madagascar to help the country combat a food shortage, the food agency said Friday. The rice, priced at yen 99,000 per ton, will be shipped to Madagascar beginning next month, according to the agency. [Text] [OW121245 Tokyo KYODO in English 1155 GMT 12 Sep 80]

AID TO ZIMBABWE--Tokyo Sep 24 KYODO--Japan will provide Zimbabwe with a grant of yen 500 million for road network reconstruction in that country, the foreign ministry announced Wednesday. Notes to this effect were exchanged Tuesday in Salisbury by Kunio Kamoshida, Japanese charge d'affaires, and Dr. Witness Mangwende, deputy foreign minister of Zimbabwe. [Text] [OW241114 Tokyo KYODO in English 0554 GMT 24 Sep 80 OW]

AID TO GUINEA--Tokyo Sep 24 KYODO--Japan will extend to Guinea yen 400 million in grant aid for improvement of transportation in that country, the foreign ministry said Wednesday. The ministry said notes to this effect were exchanged Monday in Conakry by Eiichi Honda, Japanese charge d'affaires, and Marcel Gros, secretary of state in charge of international cooperation of Guinea. Japan extended to Guinea a grant totaling yen 349 million in transport vehicles in fiscal 1978, officials said. [Text] [Tokyo KYODO in English 0638 GMT 24 Sep 80 OW]

AID TO SAMOA--Tokyo Sep 14 KYODO--The foreign ministry announced Wednesday that Japan will extend a grant totaling yen 14,500,000 to Western Samoa to purchase mobile library vehicles. Notes to this effect were exchanged Wednesday in Wellington, New Zealand, by Takashi Oyamada, Japanese ambassador to Western Samoa (concurrently ambassador to New Zealand) and Feesago S. Fepulea'i, Western Samoa's high commissioner to New Zealand. [Text] [Tokyo KYODO in English 0931 GMT 14 Sep 80 OW]

mitsui Buys Six Bell 214BS--Mitsui and Co., Ltd., Japanese dealer and licensee of Bell Helicopter Textron announced at the Farnborough Air Show the purchase of six Bell Model 214B helicopters. The aircraft are being acquired for re-sale to commercial operators in Japan and will be used in electrical power construction projects and for general heavy-lift use. The six helicopters have been acquired for delivery later this year and in the first half of 1981. Making the announcement were Takeshi Tsukamoto, Mitsui senior executive managing director, and T. Hattori, general manager of Mitsui's aerospace division. The 214B has the best payload to empty weight ratio of any helicopter in the world. It can carry up to three and a half tons at a low operation cost. There are nine 214B's now operating in Japan. [Text] [Tokyo JPE AVIATION REPORT-WEEKLY in English 17 Sep 80 p 5]

SCIENCE AND TECHNOLOGY

RESEARCHER VIEWS TECHNOLOGICAL INNOVATION, FUTURE DEVELOPMENT

Tokyo Tokyo GEEKAN NIPA in Japanese Apr 80 pp 17-23

[Article by Tsutomu Sakamoto, research scholar, Nomura Research Institute of Technology and Economics]

[Text]

I. Preface

The 1970's in various senses was an extremely big turning point. To begin with, Japan's economy was forced to change from the advanced growth of the 1950's and 1960's to low growth because of environmental and pollution problems, and then restrictions on resources and energy. And with regard to the world economy, the 1970's was an era when IMF and GATT, organized following the end of World War II, were troubled, and economic frictions increased internationally. Besides, the 1970's was said to be a period of stagnation in technological innovation throughout the world. As for Japan's technological development, the 1950's and 1960's constituted a period of importing and digesting foreign technology, but from the latter half of the 1970's, Japan's technology rose to the top level of the world, and it can be said that the 1970's was the period when technological parity was achieved.

Thus the 1970's must be looked upon as having been an especially big turning point for Japan. What was the significance of this sort of turning point in Japan's technological development? Through a study of this matter, the outlook and problems for Japan's technological development and innovation during and after the 1980's and heading into the 21st century can be probed.

II. Outstanding Features of the 1970's

(1) Achieving Technological Parity

The significance of Japanese technology's having achieved parity with the top level of the world is indeed momentous. No longer can Japan import foreign technology onesidedly or seek development objectives from foreign technology. Accordingly, Japan's technological development hereafter must

take the following two directions. One is to exert considerable effort to achieve original technological development like that of Europe and America. The other is, upon the birth of a new idea in Europe or America, to launch immediately into its development so as to establish an independent technology. This is the so-called 1.5-stage development.

Up until the 1960's in most cases Japan advanced technologically by importing technology that had been developed in Europe and America, and either improving or further developing this already developed technology, using it as the standard. This is the so-called two-stage development. The most outstanding feature of technological development in the 1970's lies in the fact that two-stage development had already become an impossibility and that (Japan) was forced to attempt 1.5-stage and single-stage development.

(2) The Conversion of Industrial Structures

At the beginning of the 1970's, "postindustrial society" and "technitronic society" were extensively used expressions. By postindustrial society is meant the conversion from the industrial structure centered on second-phase industries to the industrial structure which emphasized third-phase industries. Although the same meaning is applicable to the expression technitronic society, it probably includes the additional structural changes within second-phase industries. In other words, it means the conversion from second-phase industries centering on the heavy chemical industries to second-phase industries centering on the communication information and machinery industries.

The conversion of these two types of industrial structures occurred in the 1970's, and a higher progression in these conversions will probably be evident in the 1980's.

(3) Restrictions on Environment, Resources and Energy

The environmental problem became a reality around the end of the 1960's. The nation became very conscious of the limits of resources and energy during the 1970's, and this had a bearing on the technology of industries that heavily consumed resources and energy or that destroyed the environment. It was only natural to expedite pollution-prevention technology and the technological development of industries to conserve resources and energy. The direction of this technological progress will probably make greater strides hereafter. Moreover, as a reflection on giant technologies of the past, the use of intermediate technology or rational technology has been proposed. Just where this concept of intermediate technology will be placed in the scheme of things during the 1980's and 1990's will probably be one of the items worthy of notice.

(4) Increase in International Friction

International relations in the 1970s were heavily troubled by the unsteadiness of the IMF and CATT organizations, set up following the end of World

and (2) the increase of international economic friction; the north-south confrontation, with the south gaining power; the friction between the resource-producing countries and the consuming countries; the added intensification of the East-West confrontation; etc. It is apparent that the establishment of a stable world order cannot be expected for some time to come. In the midst of this sort of intense atmosphere, it is only natural and necessary that the direction of Japan's technological development will undergo some sort of conversion. It will probably be necessary to boost Japan's technological power in order to strengthen its negotiating position with foreign countries and to maintain its guarantee for overall security.

(4) Joining the Ranks of Advanced Countries

Of tremendous significance to the Japanese is the fact that Japan became one of the world's most advanced countries in the 1970's. Japan achieved technological parity and at the same time became one of the world's most advanced nations. This is the result of the tremendous impact of Japan's economic influence, and it means that Japan must act in a manner worthy of its economic stature. If Japan is to become a member of the Western camp and nations of the free world, and if it desires to preserve these alliances, then it must exert efforts and assume obligations to this end. With this in mind, even as regards technological development, Japan in all likelihood will be strongly urged to share in assuming international cooperation and responsibility.

III. Unlimited Growth Capability of Information Technology

The conversion of the technitronic society which began in the 1970's was hastened by the growth of communication information technology, and conditions wherein it can be called a true technitronic society will probably emerge during the 1980's and 1990's.

It was reported that there was stagnation in technological innovation during the 1970's. This is because the 1970's was a big turning point in which technological progress, as an extension from the past, became stagnant and because development in a new direction was unclear.

Therefore the technological innovation of the 1950's and 1960's had centered around the heavy chemical industry, that of the 1980's and 1990's will certainly center on areas related to information. During the transitional period of the 1970's, it is reasonable to say that the principal industries were automobile and color TV manufacturing.

The information-related discipline differs from that of producing or processing "goods," and it is a discipline with unlimited hidden potential. And the technological progress of the information-related discipline today, beginning with the computer, has certainly made remarkable accomplishments.

But from the standpoint of the growth possibilities of this discipline, it must be observed that there is much more remaining--that this is only the beginning.

Information-related technology today is supported by electronics, but optoelectronics will probably become the principle in the 1990's. Then, with advances in life sciences in the 21st century, it may be that the information functions of living things and the mechanisms of similar objects may come to be utilized.

In any case, the greatest technological innovation forecast for the 1980's will probably be brought about by the microcomputer. The microcomputer of the 1980's will be a vast improvement over that of today, and when it is assembled in the midst of various machines and apparatus it will likely provide exceptional performance. This is the advent of the microelectronic revolution.

The information system, a consolidation of the communication system and the computer data base, will be further equipped so that a multifarious information system can be built, ranging from one large enough to be on a "world scale" to one small enough for private business, to advance the rationalization of the storage, processing, and transmission of information.

By further equipping this type of information system, office automation can be improved, and offices will probably be furnished with various types of terminal equipment, such as facsimile, etc.

On the other hand, homes in the 1990's will have popularized the video disc, home facsimile (electronic mail, electronic newspapers, etc.), image communication, and other equipment so that the technitronic society will have attained a state of completion.

As for all of the different technologies described above, their technological foundations have already been established, and many of them are in practical utilization. In this sense, some cease to be novel and therefore some people claim that these should not be referred to as technological innovations. However, the basic meaning of technological innovation does not have to do with the birth of a new technology, but with a technology that permeates society and continues to greatly revolutionize economic and social activity. In this sense, it should be observed that the 1980's and 1990's will be an era of technological innovation based on the growth and popularization of information technology.

IV. Promotion of Independent Technological Development

As described previously, Japan's technological development must convert from two-stage development to 1.5-stage development and further to single-stage development. But the problem focuses on the originality and creativity of

the Japanese people. It cannot be denied that Japan's technological development until now lacked originality. But this was natural, because Japan was still a growing nation. Needless to say, for a backward nation to overtake advanced nations in the shortest possible time, the most effective way is to absorb the accomplishments of the advanced nations.

At the present time, when Japan is forced to convert from two-stage development to either 1.5-stage development or single-stage development, the question is whether Japan is ready or not.

In comparison with Europe and America, since the predisposition of Japanese society or organizations is strong on group orientation, it can be said that nurturing the concept of originality will be difficult. In this sense, it can probably be said that single-stage development is incompatible for most Japanese.

On this matter, Japan is rather in an advantageous position with 1.5-stage development in which the "buds of technology have sprouted" and the direction of development is clear enough to undertake development. This too is related to Japan's group orientation. That is to say, the Japanese begin to compete heavily in unison with the direction of development is just about defined in the development of a new technology. Then an intense competition develops and the result from the huge, concentrated outlay of energy is the accomplishment of an exquisite technological development in a short span of time. It can be said that this sort of phenomenon is rarely seen in Western countries, where originality is stressed.

Therefore, if Japan is to stop at 1.5-stage development, an extremely efficient development is possible and excellent results can be gained. More than in Europe and America, 1.5-stage development is suited for Japan, and it can be said that Japan's role is to nurture in Japan the "buds of technology that sprouted" in Europe and America.

However, this alone would mean that Japan would always be one step or a half step behind Europe and America. It would appear that even Japan should widely expand single-stage development in the 1980's and 1990's.

Japan's society and organizations emphasize collaboration more than originality. In order to effectively conduct original development in this sort of atmosphere, adjustments must be made with full awareness of the atmosphere.

The Japanese group orientation was a plus factor with two-stage development or 1.5-stage development. In other words, a development program having fixed goal, releasing concentrated effort in that direction and fulfilling the goal in a short span of time, is ideally suited for Japan's organizations. But the Japanese group orientation becomes a minus factor when it comes to single-stage development.

Therefore, when engaging in single-stage development, management of the development organization must bring in "visual points" which are different from those for 1.5-stage development, let alone for two-stage development. As to the biggest problem in Japan's technological development at present, I would like to lie in the fact that, although Japan is already in need of single-stage development, the thinking of management has not changed since the days of two-stage development."

Along with the change in the times, new concepts in research and development management have also become necessary.

2. Development From an International Viewpoint

Japan achieved parity with the highly advanced nations in the 1970's; on the other hand, because of increasing international frictions, Japan may be forced to slightly alter the course from that of the other nations.

In the 21st century, technological strength is considered one of the important strategic resources of nations. So technological development in any country is an important political subject, and a fierce competition on technological development is being waged between highly advanced nations. Technological power is the foundation of economic power, and at the same time it yields tremendous political significance. It follows that international cooperation or collaboration has become essential, even with technological development. This is particularly important with technological development that is undertaken by the government, and although there may be a certain difference in participation, the same principle applies to technological development for private industry.

Previously, Japan had imported the technology of Europe and America, or had taken the "hub of technology" from Europe and America to elevate its technological power in quick fashion. And Japan's technological power had quickly overtaken theirs, in some sectors even surpassing theirs, leading to the mounting criticism that Japan is getting a free ride with technological development. There is no denying that this situation definitely exists. And as long as Japan possesses the kind of mighty economic power that she has today, it is natural that this sort of free ride has become unacceptable. Furthermore, Japan must constructively participate in the common problems of the world with the Western countries who are charged with maintaining stability and growth.

Hereafter, the direction of Japan's technological development will be to assume an international posture and, while contributing to world prosperity, to pursue Japan's benefits within this framework. In concrete terms, this means contributing to such international topics as industrial control, energy problems and the north-south problem.

As described previously, Japan will achieve tremendous technological progress in information technology during the 1980's and 1990's, and she

will probably achieve technological innovations that will surpass and not be inferior to those of the 1950's and 1960's. Information technology can obtain excellent results, even with the performance based on the economic principles of private industry. But this is possible only after Japan's overall security (physical, economic, and political security) is guaranteed.

On the other hand, Japan must not forget technological developments that relate to the guarantee of overall security, which is not achievable through pursuit of economic principles alone. Subjects that are directly related to the guarantee of overall security include food, energy, and defense. It is definitely impossible for Japan to fully sustain all of them with her own power, and so she cannot help but pursue them with the internationally established, mutually dependent organizations.

In these areas, Japan's contribution of food would be minimal. On defense, it is true that other countries have exerted tremendous efforts and have assumed large burdens. Even if Japan does not heavily increase its defense strength, she will probably be asked to assume a comparable share with defense technological developments.

Japan's most positive contribution in the guarantee of the world's overall security would be in the area of energy. Energy technological developments would require an enormous amount of capital and much time, so international cooperation is indispensable. The development of energy technology is not only important from the standpoint of Japan's guarantee of security, but it is considered to be Japan's most effective area in her contribution to the world through exploitation of her technological and economic strength. Japan's international responsibility will be to undertake the development of energy technology with greater fervor during the 1980's and 1990's.

In passing, the subject of energy technology as the core of technological innovation for the 1980's and 1990's was not taken up in this article. This is not because no progress in energy technology can be expected during these periods. Rather, tremendous technological progress can be expected. If the term technological innovation, as defined previously, is to be considered on the basis of the qualitative influence exerted on economics or society, then it was appraised that the influence of energy technology will be extremely small in comparison with that of information technology.

The 1970's Effective Role of Intermediate Technology was a period to reflect on the gigantic technology systems. This led to the outcry for the need for technology assessments. The proposals for intermediate and rational technologies were made as a result of these assessments. In comparison with the gigantic technologies of the past, these were proposals of small-scale technologies that harmonized more naturally and adapted more closely to the locale. If the gigantic technologies of the past are considered to be heavy consumers of resources and the environment, then the concept of intermediate technologies cannot be ignored. The role of

intermediate technologies will increase in the 1980's and 1990's, and they will probably occupy a part of technological innovation, giving it a new meaning.

Intermediate technologies should not be competitively considered against gigantic technology systems in the scheme of things, but a harmonious combination must be sought wherein the merits of both are maximized and shortcomings are mutually corrected.

For instance, by organically blending solar energy into an existing energy system, its true value can be derived. By the same token, blending the energy systems to process city waste or stored waste can probably result in progress.

It can be said that the idea of fusing intermediate technology with existing technology in this manner may be one of the special characteristics of technological innovation in the 1980's and 1990's.

VII. Conclusion

It was strongly theorized at the end of the 1970's that technological innovations would stagnate in the 1980's. Certainly if seen as an extension of technological progress of the 1950's and 1960's, it appeared that technological innovations would stagnate. But during that period the quality of innovation gradually underwent a change. That is to say, the change was from innovation based on "goods" to one based on "information." The changes in innovation based on "goods" was spectacular and obvious, but the innovation based on "information" advanced because it was not seen. The influences information revolution forecast for the 1980's and 1990's will probably appear in areas unexpected by society. At a time when qualitative changes are occurring throughout the world, the fact that the direction of technological development is undergoing great changes must not be overlooked.

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SCIENCE AND TECHNOLOGY

NEW HIGH-SPEED HOMING TORPEDO FOR MSDF

Tokyo JPE AVIATION REPORT-WEEKLY in English 17 Sep 80 pp 8,9

[Text]

The Technical R&D Institute (TR&DI) of JDA has requested appropriations of ¥4,540 million in FY 1981 for continued development of the G-RX2 long-range homing torpedo for the Maritime Self-Defense Force (MSDF). The TR&DI and the MSDF plan to place it in service around 1985.

The TR&DI has been working on the high-performance G-RX2 over the past five years. The G-RX2 will be able to home on a target by detecting and identifying the underwater sound wave it produces.

The TR&DI will shortly award a contract to Mitsubishi Heavy Industries Ltd. (MHI) for full-scale development and fabrication of the G-RX2. A prototype torpedo will be completed in FY '83. Extensive operational tests will follow in FY '84. The torpedo will enter service with the MSDF in 1985 - 86 if tests prove successful.

The G-RX2 reportedly travels at a speed of approximately 60 knots and its range is about 1.2 to 1.3 times greater than conventional torpedos although details of the design and specifications are classified. The homing performance of the G-RX2 is reportedly superior to that of the US Navy Mark 48 torpedo, Japanese defense sources report.

General design work on the liquid propulsion system and the war head of the torpedo has almost been completed and the homing head, the most important part of the weapons system, will be developed in FY '81.

Japan's technical level concerning torpedoes which is still behind the US and other advanced military powers will reach advanced levels when the G-RX2 is completed, local defense sources say.

SCIENCE AND TECHNOLOGY

BRIEFS

NEW COMPUTER SYSTEM--Tokyo Sep 23 KYODO--A new computer system claimed able to listen to telephone orders and transcribe books in braille has been developed, government officials say. The pattern information processing system has the functions of the human eye and ear, they say, and can provide avenues of processing spoken, printed, hand written and other information. The new system has been developed by the Ministry of International Trade and Industry's Agency of Industrial Science and Technology. With a built-in, high-density LSI developed by the agency, the computer can among other applications, take orders through telephone for train seat reservations, the officials said. Unless the customer has an excessively strong accent, he can talk to the computer and book a seat in a second, they said. A test run on programming of nine selected themes will continue between October and March. The agency has applied for patent rights on some 500 technical achievements associated with the development of the computer. [Text] [Tokyo KYODO in English 0622 GMT 23 Sep 80 OW]

COMPUTER MEMORY MASS PRODUCTION--Tokyo 25 Sep KYODO--Nippon Electric Company (NEC), Japan's leading Integrated Circuit (IC) maker, said Thursday it would start late this month mass production of the 64k computer memory. NEC said output of the memory will amount to 40,000 to 50,000 units a month initially. But the monthly output will increase to 100,000 units next spring, it added. Compared with the 16K memory, the large-scale integration (LSI) now being widely used as the best computer memory, the 64K memory has a storage capacity four times larger, NEC said. The data processing speed is the same but consumes about 50 percent less electricity than the 16K memory. The 64K memory will initially sell for yen 22,000 but the price is expected to be reduced to less than yen 5,000 in 1983, according to the company. NEC said the 64K memory will be the mainstay computer memory in 3 years. [Text] [OW251039 Tokyo KYODO in English 0406 GMT 25 Sep 80]

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